Portfolio Review

South Florida Operating Engineers Apprentice & Training Fund

Prepared by Tony DuBose, AIF®
September 29, 2023
954-474-7100
info@lwmfl.com

LEGACY WEALTH MANAGEMENT
MANAGING GENERATIONS OF WEALTH

Table Of Contents

About Us....................................I

Global Portfolio Strategy.........II

Portfolio Review.......................III

Investment Policy Statement.....IV

LEGACY WEALTH
MANAGEMENT
MANAGING GENERATIONS OF WEALTH℠

About Us

LEGACY WEALTH MANAGEMENT
MANAGING GENERATIONS OF WEALTH℠

About Legacy Wealth Management

Legacy Wealth Management is committed to helping clients find financial solutions through independent and comprehensive financial planning, tailored investment management approaches, and personalized, personal customer service.

Based in Plantation, Florida, our firm serves clients in Miami-Dade, Broward, and Palm Beach counties as well as clients across the United States. Our financial professionals have over 150 years of combined experience in the financial industry, providing clients an extensive understanding of complex financial matters.

Our mission is to have a positive impact on the lives of our clients and their families by delivering personalized planning solutions and ongoing service far exceeding their expectations. This mission is deeply grounded in our core values of integrity and transparency.

We abide by the fiduciary standard, putting our clients' best interests at the forefront of our work. We strive to be your trusted guide and resource as you pursue your financial goals.

Your Advisor

Tony DuBose, AIF® is the Managing Principal and Chief Investment Officer of Legacy Wealth Management. Tony has assisted individuals, families, and institutions in pursuing their financial goals for over 27 years. His primary goal as a wealth advisor is to understand each client's unique needs and goals and to advocate for his clients' best interests. He is Chief Investment Officer of the firm, working with the investment committee to determine and execute key investment strategies.

"As an avid pilot, I relate much of flying a plane to investment management. Both are about knowing, understanding, and mitigating risks. Both are about keeping calm and alert in moments of sudden change. And both are about getting to where you want to go."

Tony enjoys expanding his knowledge in critical investment advisory and financial planning activities through continued education by attending key conferences and industry education programs. Tony graduated from Valdosta State University in 1983. He enjoys using his aviation skills to complete humanitarian missions for various nonprofit organizations.

He serves on the board of the NSU Halmos College of Arts & Sciences and Guy Harvey Oceanographic Research Center Dean's Development Council. Tony also serves as a board member of Gilda's Club of South Florida and is a member of Entrepreneur Organization.

Tony DuBose, AIF®
Managing Principal

Global Portfolio Strategy

LEGACY WEALTH MANAGEMENT
MANAGING GENERATIONS OF WEALTH℠

GLOBAL PORTFOLIO STRATEGY

LPL Research

OCTOBER 2023

RATES HOLD KEY TO POTENTIAL FOURTH QUARTER RALLY

LPL RESEARCH'S MONTHLY MARKET OUTLOOK

Key changes from September report:

- Increased 10-year Treasury yield year-end target to 4.25% to 4.75% from 3.25% to 3.75%

Stocks fell in September as the month lived up to its reputation as a difficult one for stocks. The S&P 500 Index lost 3.6% for the month, lowering its year-to-date gain to 11.7% (excluding dividends). Losses came as interest rates broke through to new 16-year highs. As October began, improving seasonals, dysfunction in Washington, D.C., and economic impact of higher interest rates garnered significant attention from investors.

Despite inflationary pressures falling and the Federal Reserve (Fed) maintaining its current interest rate policy, core bonds, as measured by the Bloomberg Aggregate Bond Index, were lower in September by over 2.5%. The surprising resilience of the U.S. economy is causing the bond market to price out expected rate cuts causing longer term yields to rise. Higher yields may mean another opportunity for investors to add to high quality fixed income.

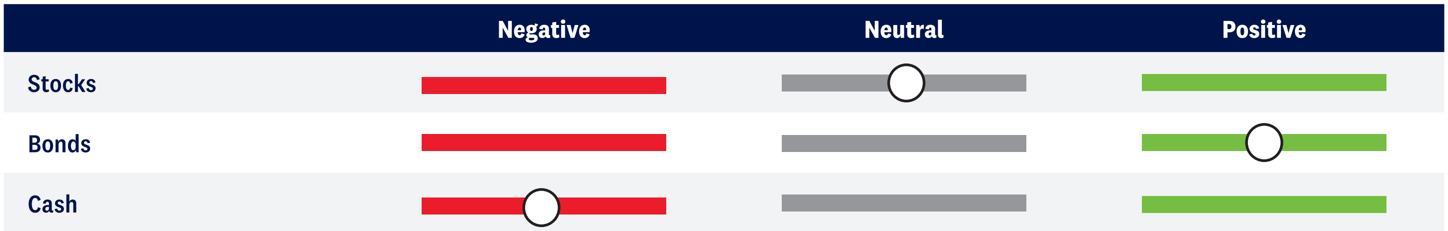
As discussed in our *Midyear Outlook 2023: The Path Toward Stability*, the LPL Research Strategic and Tactical Asset Allocation Committee (STAAC) sees the risk-reward trade-off between equities and fixed income as roughly balanced given elevated equity valuations and higher yields.

INVESTMENT TAKEAWAYS:

- The STAAC maintains its recommended neutral equities allocation based on the Committee's assessment that the risk-reward trade-off between equities and fixed income is roughly balanced. Stock valuations are not attractive at such high yield levels in the bond market.
- The Committee favors large cap stocks over their smaller brethren ahead of a likely economic slowdown toward the end of the year.
- Style views remain neutral overall. Our technical analysis work points toward growth, but valuations support value.
- The STAAC's regional preference remains developed international stocks over the U.S. and emerging markets (EM) due largely to valuations and better corporate governance in Japan, though recent economic weakness and waning relative strength in Europe are concerning.
- The bond market is coming to grips with the Fed's higher for longer narrative so expected rate cuts continue to get priced out, which has put upward pressure on longer maturity Treasury yields. Moreover, Treasury supply is expected to increase in the coming quarters, which will likely also keep pressure on yields. As such, our updated year-end 2023 target for the 10-year Treasury yield is 4.25% to 4.75%.
- The selloff in the banking sector has provided an attractive opportunity in preferred securities, however the risk/reward for core bond sectors (U.S. Treasury, Agency mortgage-backed securities (MBS), investment-grade corporates) is more attractive than plus sectors, in our view.

BROAD ASSET CLASS VIEWS

LPL Research's Views on Stocks, Bonds, and Cash



OUR ASSET CLASS & SECTOR CHOICES

Equity Asset Classes	Equity Sectors	Fixed Income	Alternative Asset Classes
▪ Developed International Equities	▪ Energy ▪ Industrials	▪ Mortgage-Backed Securities ▪ Short Maturity High Quality Corporates ▪ Preferred Securities	▪ Alt asset class choices - Global Macro, Short Term Managed Futures, and Multi-Strategy

2023 MARKET FORECASTS

Expect Yields to Pullback and Stocks to Be Choppy Through Year-End

	Previous	Current
10-Year U.S. Treasury Yield	3.25% to 3.75%	4.25% to 4.75%*
S&P 500 Index Earnings per Share	$213	$213
S&P 500 Index Fair Value	4,300 - 4,400	4,300 - 4,400**

Source: LPL Research, FactSet, Bloomberg

All indexes are unmanaged and cannot be invested into directly. The economic forecasts may not develop as predicted.

*Our year-end 2023 forecast for the U.S. 10-year Treasury yield has been updated and is now 4.25% to 4.75%. The Fed's higher for longer narrative and the poor supply/demand technicals for Treasury securities will likely keep interest rates at these elevated levels until the economic data weakens and/or inflation falls back in line with the Fed's longer term 2% target.

**Our year-end 2023 fair-value target range for the S&P 500 of 4,300-4,400 is based on a price- to-earnings ratio (PE) near 19 and our S&P 500 earnings per share (EPS) forecast of $230 in 2024.

Any forward-looking statements including economic forecasts may not develop as predicted and are subject to change.

2023 ECONOMIC FORECASTS

Downshift in Global Growth

GDP Growth (Y/Y%)	2023
United States	1.2%
Eurozone	0.6%
Advanced Economies	0.9%
Emerging Markets	3.8%
Global	2.3%

Source: LPL Research, Bloomberg

The economic forecasts may not develop as predicted.

All data, views, and forecasts herein are as of 10/06/23.

LPL RESEARCH STRATEGIC AND TACTICAL ASSET ALLOCATION COMMITTEE

LPL Research Tactical Asset Allocation as of 10/1/2023

INVESTMENT OBJECTIVE

	Aggressive Growth			Growth			Growth with Income			Income with Moderate Growth			Income with Capital Preservation		
	TAA	Benchmark	Difference	TAA	Benchmark	Difference	TAA	Benchmark	Difference	TAA	Benchmark	Difference	TAA	Benchmark	Difference
STOCKS	95.0%	95.0%	0.0%	80.0%	80.0%	0.0%	60.0%	60.0%	0.0%	40.0%	40.0%	0.0%	20.0%	20.0%	0.0%
U.S. EQUITY	76.0%	76.0%	0.0%	64.0%	64.0%	0.0%	48.0%	48.0%	0.0%	32.0%	32.0%	0.0%	16.0%	16.0%	0.0%
Large Value	17.5%	16.0%	1.5%	14.5%	13.5%	1.0%	11.0%	10.0%	1.0%	7.0%	6.5%	0.5%	3.5%	3.5%	0.0%
Large Blend	17.0%	16.0%	1.0%	14.5%	13.5%	1.0%	11.0%	10.0%	1.0%	7.5%	7.0%	0.5%	4.0%	3.0%	1.0%
Large Growth	17.5%	16.0%	1.5%	14.5%	13.5%	1.0%	11.0%	10.0%	1.0%	7.0%	6.5%	0.5%	3.5%	3.5%	0.0%
Small/Mid Value	8.0%	9.5%	-1.5%	7.0%	8.0%	-1.0%	5.0%	6.0%	-1.0%	3.5%	4.0%	-0.5%	1.5%	2.0%	-0.5%
Small/Mid Blend	8.0%	9.0%	-1.0%	6.5%	7.5%	-1.0%	5.0%	6.0%	-1.0%	3.5%	4.0%	-0.5%	2.0%	2.0%	0.0%
Small/Mid Growth	8.0%	9.5%	-1.5%	7.0%	8.0%	-1.0%	5.0%	6.0%	-1.0%	3.5%	4.0%	-0.5%	1.5%	2.0%	-0.5%
INTERNATIONAL EQUITY	19.0%	19.0%	0.0%	16.0%	16.0%	0.0%	12.0%	12.0%	0.0%	8.0%	8.0%	0.0%	4.0%	4.0%	0.0%
Developed (EAFE)	16.0%	12.0%	4.0%	13.0%	10.0%	3.0%	10.5%	8.0%	2.5%	6.5%	5.0%	1.5%	4.0%	4.0%	0.0%
Emerging Markets	3.0%	7.0%	-4.0%	3.0%	6.0%	-3.0%	1.5%	4.0%	-2.5%	1.5%	3.0%	-1.5%	0.0%	0.0%	0.0%
BONDS	3.0%	0.0%	3.0%	18.0%	15.0%	3.0%	38.0%	35.0%	3.0%	58.0%	53.0%	5.0%	78.0%	70.0%	8.0%
U.S. CORE	3.0%	0.0%	3.0%	17.0%	15.0%	2.0%	36.0%	35.0%	1.0%	55.0%	53.0%	2.0%	74.0%	70.0%	4.0%
Treasuries	1.5%	0.0%	1.5%	8.5%	7.0%	1.5%	17.5%	16.0%	1.5%	27.0%	24.5%	2.5%	36.0%	32.5%	3.5%
MBS	1.0%	0.0%	1.0%	5.5%	4.5%	1.0%	12.0%	10.5%	1.5%	18.0%	15.5%	2.5%	24.5%	20.5%	4.0%
IG Corporates	0.5%	0.0%	0.5%	3.0%	3.5%	-0.5%	6.5%	8.5%	-2.0%	10.0%	13.0%	-3.0%	13.5%	17.0%	-3.5%
NON-CORE	0.0%	0.0%	0.0%	1.0%	0.0%	1.0%	2.0%	0.0%	2.0%	3.0%	0.0%	3.0%	4.0%	0.0%	4.0%
Preferred	0.0%	0.0%	0.0%	1.0%	0.0%	1.0%	2.0%	0.0%	2.0%	3.0%	0.0%	3.0%	4.0%	0.0%	4.0%
CASH	2.0%	5.0%	-3.0%	2.0%	5.0%	-3.0%	2.0%	5.0%	-3.0%	2.0%	7.0%	-5.0%	2.0%	10.0%	-8.0%

For investors who have their own benchmarks, we would recommend emphasizing underweights or overweights relative to the individual benchmark at the most similar overall risk level.

Equity benchmark style weights are equally distributed across growth, core, and value. Cap weights are based on the underlying holdings of the domestic benchmark indexes.

Bond benchmark sector allocations are based on a look-through analysis of the major sector components of the Bloomberg US Aggregate Bond Index.

Treasuries include other government related debt. MBS includes other securitized debt.

Abbreviations: TAA - tactical asset allocation; MBS - mortgage-backed securities; IG corporates - investment-grade corporates; TIPS - Treasury inflation-protected securities.

EQUITY ASSET CLASSES

Favor Large Caps, Staying Neutral on Style, with Slight Preference for Developed International for Now

The STAAC maintains its recommended neutral equities allocation based on the Committee's assessment that the risk-reward trade-off between equities and fixed income is roughly balanced. Stock valuations are not attractive at such high yield levels in the bond market. The Committee favors large cap stocks over their smaller brethren due to potentially slower economic growth and tighter credit conditions, though valuations remain attractive for high-quality small caps. Technical analysis points to growth over value, but valuations remain elevated for growth stocks broadly. The Committee continues to slightly favor developed international stocks over U.S. due mostly to valuations and increasingly more shareholder friendly management teams in Japan, but currencies have not been helping and Europe has clearly weakened. Key risks to equities include overtightening by the Fed, broader military conflict in Europe, and escalation in U.S-China tensions.

	Sector	Overall View	Relative Trend	Rationale
Market Capitalization	Large Caps			Large caps generally perform better during periods of economic uncertainty with stronger balance sheets. However, they are more expensive and mega-cap technology leadership may be challenged in the rising rate environment. From a technical perspective, large caps look better following outperformance in August and September, based on Russell indexes.
	Mid Caps			Beneficiary of a potential soft landing while valuations are attractive, but credit conditions have started to tighten, merger and acquisition activity is tepid, and current technical analysis trends suggest caution is prudent. Watching for further improvement in market breadth.
	Small Caps			Near-term performance may depend on the market's confidence in the soft landing scenario now that rates have moved so much higher. Attractive valuations have not helped high-quality small caps over the past two months. Recession expectations keep getting pushed out but we expect a weaker economy to weigh on small caps at some point over the next six months.
Style	Growth			The growth style, particularly technology-oriented companies, has benefited from falling inflation and superior earnings power this year. But rich valuations and higher interest rates have caused relative performance to level off the past four months. Technical analysis trends still lean toward growth.
	Value			Value stocks are relatively attractive vs. their historical averages and would benefit from a soft landing, particularly energy. However, the Committee maintains a bias toward growth due to better technical analysis trends, falling inflation, solid earnings gains, and the possibility that falling interest rates will act as a catalyst for growth.
Region	United States			The U.S. economy may be headed for a late-2023 or early-2024 recession and could even have trouble outgrowing Europe and Japan in the next year. Positives include falling inflation, an innovation advantage, the impending end of Fed rate hikes, and resilient corporate profits. Headwinds include elevated valuations, especially compared to developed international equities.
	Developed International			The Committee continues to slightly favor developed international stocks over U.S. due mostly to more attractive valuations and increasingly more shareholder friendly management teams in Japan. Recent deterioration and waning relative strength in Europe is concerning, however, while currencies have not helped lately and technical conditions have weakened.
	Emerging Markets			The Committee remains cautious toward emerging market equities due largely to disappointing earnings and ongoing geopolitical uncertainty, though valuations remain attractive and there are pockets of opportunities. The Committee favors Latin America to take advantage of near-shoring trends and firming commodity prices. India is an interesting opportunity. Stimulus is key to China's near-term direction.

Relative trend is an assessment of the intermediate term price trend and performance between various asset classes and sectors. For regions and styles the relative trends are compared to each other.

EQUITY SECTORS

Favor Energy and Industrials for Cyclical Value Tilt

The STAAC upgraded the energy sector to positive from neutral in September due to firming oil and natural gas prices, an improved supply/demand balance, and attractive valuations bolstered by improved financial discipline from oil and gas producers. The Committee now recommends a slight cyclical tilt over defensive sectors with consumer staples the accompanying downgrade last month. Among economically sensitive, or cyclical, sectors, the Committee recommends two overweights (energy and industrials) and no underweights following last month's consumer discretionary upgrade. The Committee now favors energy over industrials, though resilient capital investment activity continues to support a positive industrials sector view. Real estate, which offers a mix of cyclical and defensive characteristics and faces heightened risk in the commercial real estate market, remains underweight.

	Sector	Overall View	Relative Trend	S&P Wgt	Rationale
Cyclical	Materials			2.5	Performed roughly in line with S&P 500 in September as commodities overall were mixed. China's disappointing recovery and incremental weakness in Europe have offset a resilient U.S. economy. Reasonable valuations. Mixed technicals.
	Energy			4.5	Best sector performer for third straight month in September on higher oil and natural gas prices and more shareholder friendly producers. Support from OPEC+ supply cuts and solid U.S. demand. Attractive valuations. Favorable technicals. China and Europe are risks.
	Industrials			8.2	Capital expenditures, infrastructure, and defense spending trends are generally positive. Potential slower capital investment later this year is a risk, as is a potential government shutdown in mid-November. Reasonable valuations, favorable technicals.
	Communication Services			9.1	Regulatory risks back to the fore with Google (GOOGL) antitrust trial but valuations, earnings growth, and technicals are all supportive. Cord cutting/streaming economics remains a key risk for traditional media
	Consumer Discretionary			10.7	Consumers are holding up relatively well despite higher rates. Earnings rebound has been impressive. But credit card delinquencies are rising, student loan payments have restarted, and energy prices are up. Jobs holding up. Fair valuations. Favorable technicals.
	Technology			27.9	Underperformer in September as rising rates hurt long duration earnings stream. Direction of interest rates is key to near-term outlook. Artificial intelligence enthusiasm still helpful. Rich valuations. Overbought conditions easing. Positive technicals.
	Financials			12.6	Surging interest rates, rising credit card delinquencies, an inverted yield curve, and higher capital requirements for second tier banks are among the stiffest headwinds, but valuations are attractive and big banks are healthy. Mixed technicals.
Defensive	Utilities			2.3	Drag from defensive characteristics has transitioned to interest rate sensitivity drag. With the sector extremely oversold and rates potentially nearing a top, this is a sector to watch for a possible near-term bounce. Risk is lasting cyclical leadership.
	Healthcare			13.3	Relative performance improved as stocks fell in September. COVID-19 comparisons, patent expirations, and Medicare drug negotiations are notable challenges for drug makers. Earnings momentum is waning. Attractive valuations. Weak technicals.
	Consumer Staples			6.6	September downgrade reflected mediocre fundamentals and poor technicals. Lower inflation has helped ease margin pressures, but pricing power waning. Fair valuations. Technicals remain unfavorable. LPL Research prefers cyclical sectors.
	Real Estate			2.3	Weak technical analysis trends while commercial real estate deterioration and rising interest rates are both concerning at this point. Solid yields and fair valuations, but not an area we would look to for yield relative to core fixed income.

Because of its narrow focus, specialty sector investing, such as healthcare, financials, or energy, will be subject to greater volatility than investing more broadly across many sectors and companies. Relative trend is an assessment of the intermediate term price trend and performance between various asset classes and sectors. For sectors each sector's relative trend is versus the S&P 500.

FIXED INCOME

Favor Up-In-Quality Approach with a (Small) Allocation to Preferreds

Longer-maturity Treasuries were higher in September as the market continues to reprice expectations for the Fed's policy path, pricing out some of the anticipated rate cuts throughout 2024 while also shifting the expected "neutral" rate higher. Yields on high quality fixed income sectors moved higher as well, offering investors another opportunity to take advantage of attractive valuations. Importantly, starting yields are the best predictor of long-term returns and with starting yields at levels last seen over a decade ago, the return prospects for fixed income have improved as well. That said, aside from preferred securities, valuations for riskier fixed income sectors remain rich relative to core sectors, in our view.

We favor **municipal bonds** as a high-quality option for taxable accounts with tax-equivalent yields as attractive as they've been in over a decade. Additionally, for appropriate investors, we believe **high-yield municipal bonds** offer an attractive tax-equivalent yield; however, we would expect additional volatility as economic growth concerns increase. Fundamentals in both markets may have peaked but remain solid.

		Low Medium High	Rationale
Positioning	Credit Quality		We recommend an up-in-quality approach in allocating to fixed income sectors. While all-in yields for lower quality remain above longer-term averages, we think the risk/reward favors owning core bond sectors over the riskier sectors.
		Short Int. Long	
	Duration		The compensation for adding duration to portfolios isn't sufficient given the still elevated (but falling) inflationary pressures. We remain neutral relative to our benchmark.
		Neg. Neutral Pos.	Rationale
Core Sectors	U.S. Treasuries		Treasury yields moved higher in September offering an attractive entry point. Last year's back-up in yields has likely increased the diversification benefits of owning U.S. Treasuries. Valuations for Treasury Inflation- Protected Securities (TIPS) are fair, but shorter-maturity TIPS could provide a good hedge to unexpected inflation surprises.
	MBS		We remain constructive on Agency MBS. With yields and spreads at multi-year highs, we think MBS remain an attractive investment opportunity particularly relative to lower rated corporates. Due to higher mortgage rates, the lack of new mortgage supply should help buoy prices.
	Investment-Grade Corporates		We recommend a slight underweight to benchmarks, but we think there is currently an opportunity to invest in shorter maturity corporate securities without taking on elevated levels of interest rate or credit risk. Fundamentals remain solid.
Plus Sectors	Preferred Securities		The selloff in the banking sector provided an opportunity to invest in these senior securities. Higher credit quality among the riskier fixed income options. Bank fundamentals generally sound overall. European banks likely to stay under pressure as the European Central Bank (ECB) hikes rates.
	High-Yield Corporates		Yields for high yield bonds are above historical averages, but tighter lending standards have correlated with higher downgrades and defaults. The uncertain economic environment could increase near term volatility. The asset class may be better suited for long-term investors
	Bank Loans		Given the variable rate debt, higher interest rates may make repayment more challenging for some issuers. Fewer investor protections and illiquidity of individual loans remain concerns. Downgrades and defaults have increased and could increase still if the economy slows/contracts.
	Foreign Bonds		Valuations have improved, but potential currency volatility still remains a challenge.
	EM Debt		Central banks have largely ended rate hikes as inflationary pressures are starting to abate. A strong dollar could provide a headwind to prices. Valuations are relatively attractive but idiosyncratic risks remain. Liquidity can be an added risk during periods of stress.

Yield spread is the difference between yields on differing debt instruments, calculated by deducting the yield of one instrument from another. The higher the yield spread, the greater the difference between the yields offered by each instrument. The spread can be measured between debt instruments of differing maturities, credit ratings, and risk. Bank loans are loans issued by below investment- grade companies for short-term funding purposes with higher yield than short-term debt and involve risk. For the purposes of this publication, intermediate-term bonds have maturities between three and 10 years, and short-term bonds are those with maturities of less than three years.

All bonds are subject to market and interest rate risk if sold prior to maturity. Bond values will decline as interest rates rise and are subject to availability and change in price. Corporate bonds are considered higher risk than government bonds but normally offer a higher yield and are subject to market, interest rate, and credit risk, as well as additional risks based on the quality of issuer, coupon rate price, yield, maturity, and redemption features. Investing in foreign and emerging market debt (EMD) securities involves special additional risks. These risks include, but are not limited to, currency risk, geopolitical and regulatory risk, and risk associated with varying settlement standards. High-yield/junk bonds are not investment-grade securities, involve substantial risks, and generally should be part of the diversified portfolio of sophisticated investors. Municipal bonds are subject to availability, price, and market and interest rate risk if sold prior to maturity. Bond values will decline as interest rates rise. Interest income may be subject to the alternative minimum tax. Federally tax-free but other state and local taxes may apply. Mortgage-backed securities (MBS) are subject to credit, default, prepayment risk that acts much like call risk when you get your principal back sooner than the stated maturity, extension risk, the opposite of prepayment risk, market, and interest rate risk.

Municipal bonds are subject to availability and change in price. They are subject to market and interest rate risk if sold prior to maturity. Bond values will decline as interest rates rise. Interest income may be subject to the alternative minimum tax. Municipal bonds are federally tax-free but other state and local taxes may apply. If sold prior to maturity, capital gains tax could apply.

COMMODITIES

Dollar Headwinds Persist

The broad commodity sector declined in September after facing a relentless rally in the U.S. Dollar Index. The greenback climbed 2.5% last month amid an ongoing 11-week winning streak underpinned by surging interest rates and the repricing of expectations for higher-for-longer monetary policy. The Bloomberg Commodity Index (BCOM) slid 1.2% after failing at the neckline (109) of a potential head and shoulders bottom formation.

It wasn't all bad news across the commodities complex. Energy was once again the standout, posting a 3.9% gain. The energy commodity sector has been up for four consecutive months, amassing a 30% price gain over this period. Crude oil has captured most of the headlines after its recent breakout from a bottom formation. While oil has since pulled back from overbought levels, the improving technical and supply and demand backdrop suggests the path of least resistance remains higher. Natural gas is following suit after posting back-to-back 5% rallies in August and September. Prices have now recaptured the 50- and 200-day moving averages, leaving $3 as the last hurdle to clear before a breakout from a bottom formation can be confirmed. We maintain our positive view on the energy commodity sector.

Metals declined in September after being dragged down by weakness in gold and silver. Both precious metals suffered sizable technical damage after they broke below support from their summer lows. Oversold conditions have developed, raising the odds for a potential relief rally on a near-term horizon; however, there is limited technical evidence pointing toward any imminent capitulation. Industrials metals advanced, although copper failed at an important downtrend. An underwhelming economic recovery in China and signs of increased supply continue to weigh on copper prices. We maintain our neutral view on both the industrial and precious metals group.

Ag and livestock markets declined last month. Grains underperformed within the space as selling pressure continued in wheat and soybeans. Record Russian supplies of wheat hitting the market and weak demand from China have largely underpinned the declines. Softs were flat, with sugar sticking out with a 4% rally that lifted prices out from a four-month consolidation range. Livestock also finished near the flatline, buoyed by a 2.5% rally in live cattle.

	Neg. Neutral Pos.	Relative Trend	Rationale
Energy			The technical setup for energy remains bullish. WTI has surpassed key resistance at $83.25. Signs of tightening supply have become increasingly evident on the futures curve, while U.S. stockpiles have dropped to historically low levels. While overbought conditions recently sparked a pullback, the path of least resistance for oil appears higher. Natural gas continues to generate higher highs and higher lows after finding support near $2.00. A close above $3.00 would validate a breakout from its current bottom formation.
Precious Metals			Precious metals struggled last month against the stronger dollar. Gold, the most negatively correlated commodity to the greenback, fell 4.7%, while silver dropped 9.3%. Both precious metals are oversold but there is insufficient technical evidence suggesting the selling pressure is over.
Industrial Metals			Industrials metals advanced as rallies in aluminum and zinc offset declines in copper and nickel. Copper's pullback was notable as prices failed at a key downtrend, leaving the May lows as the next area of support. An underwhelming economic recovery in China and signs of increased supply continue to weigh on prices.
Agriculture (Ag) & Livestock			Ag and livestock markets declined last month. Record Russian supplies of wheat flooding the market and weak demand from China underpinned the selling pressure. Softs were flat, with sugar sticking out with a 4% rally that lifted prices out of a four-month consolidation range. Livestock also finished near the flatline, buoyed by a 2.5% rally in live cattle.

Any futures referenced are being presented as a proxy, not as a recommendation. The fast price swings in commodities will result in significant volatility in an investor's holdings. Commodities include increased risks, such as political, economic, and currency instability, and may not be suitable for all investors.

ALTERNATIVE INVESTMENTS

Macro and Managed Futures Providing Uncorrelated Returns and Portfolio Diversification in Times of Volatility

The alternative investment strategies posted mixed results in September based on the preliminary data from Hedge Fund Research (HFR).

Improving Bottom Up Stock Picking Environment

Equity L/S strategies posted mixed results in September. With the steep sell-off in equity markets, long biased Equity L/S strategies underperformed while low-net/market neutral Equity L/S were able to positive results. The stock dispersion has risen meaningfully in recent months, lending improved trading environment for low-net/market neutral Equity L/S strategies focused on bottom up stock picking. Event Driven strategies posted small gains as Merger Arbitrage and Special Situations strategies gained from the marginal pick up in global M&A deal volume and some of the catalyst events. Lastly, Relative Value strategies were generally down, with the Covertible Arbitrage strategies detracting the most due to the rise in volatility.

Remain constructive on Global Macro, Managed Futures and Multi-Strategy

Tactical Trading Strategies, namely Global Macro and Managed Futures, were the leading performers, helping to provide uncorrelated returns and portfolio diversification for investors. Global Macro was the major beneficiary of the US rates curve dis-inversion which was brought by the strong US economic data that has pushed recession expectations out and brought back “higher for longer” rates expectations. They also gained from other tactical themes in commodities, currencies and equities as well. Looking forward, we expect Global Macro managers to continue to find ample trading opportunities, with heavier focus on inter-regional relative value opportunities that arise from the divergence in economic conditions and central bank policies. Within Managed Futures, both trend followers and short-term strategies posted gains. Many of them were able to profit from the sell-off in rates and rally in crude oil prices. With respect to equities, some of the short-term models were able to profit from the sharp sell-off of the market that came with the rise of volatility while trend followers focused on further reducing their equity beta. Given the continued uncertainties around the economy and fiscal and monetary policy, we expect the volatility to transition higher and remain constructive on both Global Macro and Managed Futures strategies that tend to perform in such regimes and provide uncorrelated returns and portfolio diversification for investors.

Multi-strategy funds posted muted returns, reflecting the mixed performance across the underlying strategies. Multi-strategy remains a core focus of ours as we believe they can supply additional sources of uncorrelated returns and help dampen portfolio volatility in an environment where interest rates are expected to remain persistently elevated.

Please see https://www.hfr.com/indices for further information on the indices

Definition: The HFRI 400 (US) Hedge Fund Indices are global, equal-weighted indices comprised of the largest hedge funds that report to the HFR Hedge Fund Research

Alternative investments may not be suitable for all investors and should be considered as an investment for the risk capital portion of the investor’s portfolio. The strategies employed in the management of alternative investments may accelerate the velocity of potential losses.

IMPORTANT DISCLOSURES

This material has been prepared for informational purposes only, and is not intended as specific advice or recommendations for any individual. There is no assurance that the views or strategies discussed are suitable for all investors and they do not take into account the particular needs, investment objectives, tax and financial condition of any specific person. To determine which investment(s) may be appropriate for you, please consult your financial professional prior to investing. Any economic forecasts set forth may not develop as predicted and are subject to change.

Stock investing involves risk including loss of principal. Because of their narrow focus, sector investing will be subject to greater volatility than investing more broadly across many sectors and companies. Value investments can perform differently from the market as a whole and can remain undervalued by the market for long periods of time. The prices of small and mid-cap stocks are generally more volatile than large cap stocks. Bonds are subject to market and interest rate risk if sold prior to maturity.

Bond values will decline as interest rates rise and bonds are subject to availability and change in price. Corporate bonds are considered higher risk than government bonds. Municipal bonds are subject to availability and change in price. Interest income may be subject to the alternative minimum tax. Municipal bonds are federally tax-free but other state and local taxes may apply. If sold prior to maturity, capital gains tax could apply. U.S. Treasuries may be considered “safe haven” investments but do carry some degree of risk including interest rate, credit, and market risk. Bond yields are subject to change. Certain call or special redemption features may exist which could impact yield. Mortgage-backed securities are subject to credit, default, prepayment, extension, market and interest rate risk.

Municipal bonds are subject to availability and change in price. They are subject to market and interest rate risk if sold prior to maturity. Bond values will decline as interest rates rise. Interest income may be subject to the alternative minimum tax. Municipal bonds are federally tax-free but other state and local taxes may apply. If sold prior to maturity, capital gains tax could apply.

High yield/junk bonds (grade BB or below) are not investment grade securities, and are subject to higher interest rate, credit, and liquidity risks than those graded BBB and above. They generally should be part of a diversified portfolio for sophisticated investors.

Floating rate bank loans are loans issues by below investment grade companies for short term funding purposes with higher yield than short term debt and involve risk.

Credit Quality is one of the principal criteria for judging the investment quality of a bond or bond mutual fund. Credit ratings are published rankings based on detailed financial analyses by a credit bureau specifically as it relates to the bond issue’s ability to meet debt obligations. The highest rating is AAA, and the lowest is D. Securities with credit ratings of BBB and above are considered investment grade. Duration is a measure of the sensitivity of the price (the value of principal) of a fixed-income investment to a change in interest rates. It is expressed as a number of years.

Preferred stock dividends are paid at the discretion of the issuing company. Preferred stocks are subject to interest rate and credit risk. As interest rates rise, the price of the preferred falls (and vice versa). They may be subject to a call feature with changing interest rates or credit ratings.

Alternative investments may not be suitable for all investors and should be considered as an investment for the risk capital portion of the investor’s portfolio. The strategies employed in the management of alternative investments may accelerate the velocity of potential losses.

Event driven strategies, such as merger arbitrage, consist of buying shares of the target company in a proposed merger and fully or partially hedging the exposure to the acquirer by shorting the stock of the acquiring company or other means. This strategy involves significant risk as events may not occur as planned and disruptions to a planned merger may result in significant loss to a hedged position.

Commodity-linked investments may be more volatile and less liquid than the underlying instruments or measures, and their value may be affected by the performance of the overall commodities baskets as well as weather, geopolitical events, and regulatory developments. The fast price swings in commodities and currencies will result in significant volatility in an investor’s holdings.

Investing in foreign and emerging markets securities involves special additional risks. These risks include, but are not limited to, currency risk, geopolitical risk, and risk associated with varying accounting standards. Investing in emerging markets may accentuate these risks. All information is believed to be from reliable sources; however, LPL Financial makes no representation as to its completeness or accuracy.

Earnings per share (EPS) is the portion of a company’s profit allocated to each outstanding share of common stock. EPS serves as an indicator of a company’s profitability. Earnings per share is generally considered to be the single most important variable in determining a share’s price. It is also a major component used to calculate the price-to-earnings valuation ratio.

Gross Domestic Product (GDP) is the monetary value of all the finished goods and services produced within a country’s borders in a specific time period, though GDP is usually calculated on an annual basis. It includes all of private and public consumption, government outlays, investments and exports less imports that occur within a defined territory.

All index data from FactSet.

For a list of descriptions of the indexes referenced in this publication, please visit our website at lplresearch.com/definitions.

Managed futures are speculative, use significant leverage, may carry substantial charges, and should only be considered suitable for the risk capital portion of an investor’s portfolio.

The Strategic and Tactical Asset Allocation Committee (STAAC) is a division of LPL Research.

Member FINRA/SIPC. .
RES-1658767-0923   Tracking #489197 (Exp. 10/24)

LPL Financial

Portfolio Review

LEGACY WEALTH
MANAGEMENT
MANAGING GENERATIONS OF WEALTH℠

Prepared For

South Florida Operating Engineers Appren

Prepared on 10/26/23

Portfolio Review

South FL Operating Engineers App & Training Fund

8/8/23-10/25/23

Prepared By

Legacy Wealth Management
1250 S Pine Island Road Suite 350
Plantation, FL 33324
954-474-7100
tony.dubose@lwmfl.com

Table of Contents

Portfolio Snapshot 3
Portfolio Summary 6
Asset Allocation by Asset Type 7
Holdings by Investor 8
Estimated Cash Flow by Security 10
Account Performance Detail 12
Disclosure 13

Portfolio Snapshot

South FL Operating Engineers App & Training Fund

Period: 8/8/23-10/25/23

Summary

As of: 10/25/23

PORTFOLIO	$1,434,721
GAIN/LOSS	
Unrealized	-$36,463

Portfolio Performance

	SELECTED PERIOD ($)	LAST QUARTER ($)	YEAR TO DATE ($)	LAST YEAR ($)	SINCE START DATE ($)
	8/8/23 - 10/25/23	Q3,23	10/25/23	2022	4/21/23
Beginning Value	1,463,553	1,455,317	0	--	0
Net Contribution	0	0	1,450,472	--	1,450,472
Change in Value	-28,832	-7,984	-15,751	0	-15,751
Ending Value	1,434,721	1,447,333	1,434,721	--	1,434,721
Return	**-1.97%**	**-0.55%**	**-1.09%**[6]	**--**	**-1.09%**

Account Performance

ACCOUNT	START DATE	VALUE ($)	% OF TOTAL	SELECTED PERIOD (%)	LAST QUARTER (%)	YEAR TO DATE (%)	LAST YEAR (%)	SINCE START DATE (%)
		10/25/23	10/25/23	8/8/23 - 10/25/23	Q3,23	10/25/23	2022	
SoFL Opp Engineers App & Tr Funds	4/21/23	1,128,963	78.69	-1.03	0.09	0.03[6]	--	0.03
XXXX471A	8/31/23	305,757	21.31	-5.01[6]	-2.88[6]	-5.01[6]	--	-5.01

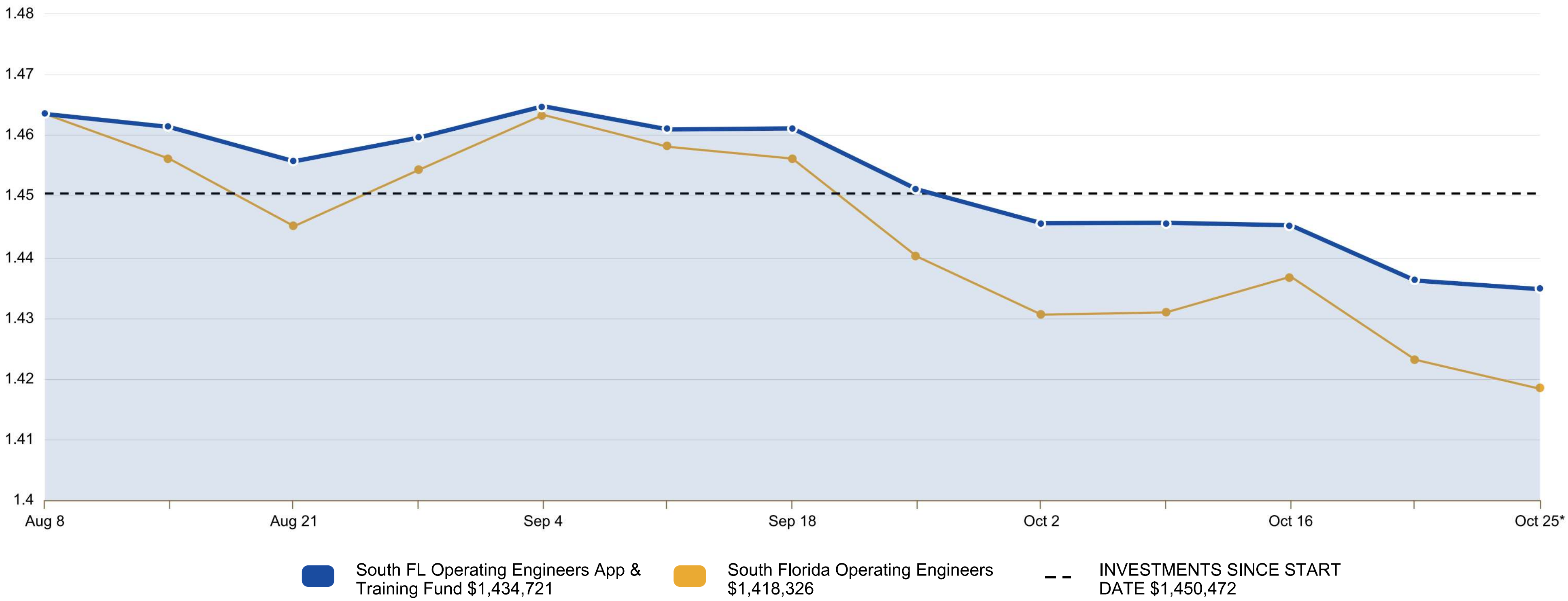
[A] This report may include assets that the firm does not hold and which are not included on the firm's books and records.

Prepared by: Legacy Wealth Management

Portfolio Review created on: 10/26/23.

Period: 8/8/23-10/25/23

Portfolio Value (millions $)



[61] South Florida Operating Engineers is comprised of 43% Bloomberg U.S. Aggregate Bond, 35% ICE BofAML U.S. Treasuries 1-3 Year, 18% Russell 3000, 4% Bloomberg Commodity Index (TR).

*Represents partial period

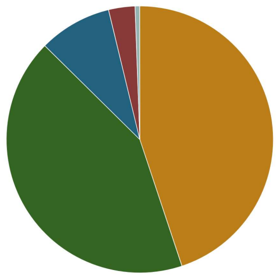
[A] This report may include assets that the firm does not hold and which are not included on the firm's books and records.

Prepared by: Legacy Wealth Management

Portfolio Review created on: 10/26/23.

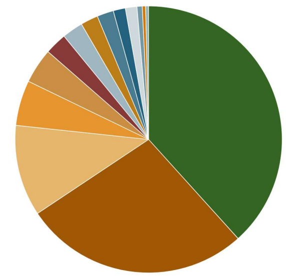
As of: 10/25/23

Asset Type



ASSET TYPE	CURRENT ALLOCATION	VALUE ($)	(%)
BONDS		644,086	44.89
CASH		609,938	42.51
US STOCKS		126,737	8.83
NON-US STOCKS		45,838	3.19
OTHER		8,121	0.57
Total:		**$1,434,721**	**100%**

Investment Objective



INVESTMENT OBJECTIVE	CURRENT ALLOCATION	VALUE ($)	(%)
CASH		549,892	38.33
US INVESTMENT GRADE BOND		391,952	27.32
OTHER BOND		158,542	11.05
OTHER/NON-CLASSIFIED		78,631	5.48
NON-US BOND		61,035	4.25
NON-US DEVELOPED MARKETS EQUITY		38,253	2.67
US MID CAP EQUITY		36,243	2.53
US HIGH YIELD BOND		30,356	2.12
US LARGE CAP CORE EQUITY		28,688	2.00
US LARGE CAP VALUE EQUITY		21,014	1.46
US SMALL CAP EQUITY		20,177	1.41
US LARGE CAP GROWTH EQUITY		9,221	0.64
OTHER NON-US EQUITY		5,495	0.38
OTHER		5,222	0.36
Total:		**$1,434,721**	**100%**

[A] This report may include assets that the firm does not hold and which are not included on the firm's books and records.

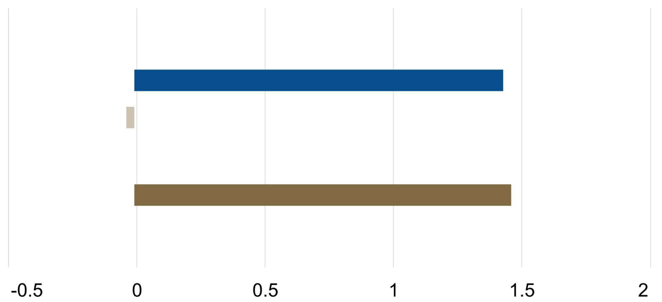
Prepared by: Legacy Wealth Management

Portfolio Review created on: 10/26/23.

Period: 8/8/23 - 10/25/23

Core Accounts (millions $)

Return -1.97 %



	VALUE ($)
Beginning Value	**1,463,553**
Net Contribution	**0**
Change In Value	**-28,832**
Dividend Reinvested	8,764
Fees	-1,483
Market Gain/Loss	-36,113
Ending Value	**1,434,721**

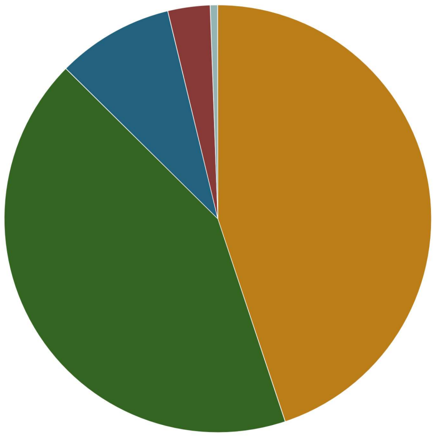
[A] This report may include assets that the firm does not hold and which are not included on the firm's books and records.

Prepared by: Legacy Wealth Management

Portfolio Review created on: 10/26/23

As of: 10/25/23

Combined Total



ASSET TYPE	VALUE ($)	(%)
BONDS	644,086	44.89
CASH	609,938	42.51
US STOCKS	126,737	8.83
NON-US STOCKS	45,838	3.19
OTHER	8,121	0.57
Total:	**$1,434,721**	**100%**

[A] This report may include assets that the firm does not hold and which are not included on the firm's books and records.

Prepared by: Legacy Wealth Management

Portfolio Review created on: 10/26/23

As of: 10/25/23

South Florida Operating Engineers Appren

Account Name: SoFL Opp Engineers App & Tr Funds DPB

Account Number: XXXX1471

Account Type: Endowments/Foundations

ASSET	TICKER	ASSET TYPE	MGT. NAME	QUANTITY	PRICE ($)	VALUE ($)
SDIT GOVERNMENTSWEEP	AABXX	CASH	SEI ASSET MANAGEMENT PROGRAMS	396,903.80	1.00	396,903.80
SEI DAILY INCOME SHORT-DURATION GOVERNMENT BOND FU	TCSGX	BONDS	SEI ASSET MANAGEMENT PROGRAMS	10,788.30	9.73	104,970.16
SEI DAILY INCOME ULTRA SHORT DURATION BOND CL F	SECPX	BONDS	SEI ASSET MANAGEMENT PROGRAMS	3,327.43	9.18	30,545.77
SEI GLOBAL MANAGED VOLATILITY FUND	SVTAX	US STOCKS	SEI ASSET MANAGEMENT PROGRAMS	8,276.77	9.55	79,043.20
SEI INSTITUTIONALLY MANAGED CORE FIXED INCOME FUND	TRLVX	BONDS	SEI ASSET MANAGEMENT PROGRAMS	8,719.72	8.87	77,343.06
SEI INSTITUTIONALLY MANAGED HIGH-YIELD BOND FUND	SHYAX	BONDS	SEI ASSET MANAGEMENT PROGRAMS	4,290.16	5.28	22,652.07
SEI INSTL MANAGED TR CONSERTV INC A	COIAX	CASH	SEI ASSET MANAGEMENT PROGRAMS	6,917.35	10.00	69,173.47
SEI INSTL MANAGED TR MLTSTRG ALT A	SMSAX	CASH	SEI ASSET MANAGEMENT PROGRAMS	2,441.32	9.23	22,533.38
SEI INSTL MANAGED TR MUL A CAPSTA A	SCLAX	CASH	SEI ASSET MANAGEMENT PROGRAMS	12,861.53	9.98	128,358.04
SEI INSTL MANAGED TR MULT A INFMG A	SIFAX	BONDS	SEI ASSET MANAGEMENT PROGRAMS	4,760.81	7.91	37,657.98

[A] This report may include assets that the firm does not hold and which are not included on the firm's books and records.

Prepared by: Legacy Wealth Management

Portfolio Review created on: 10/26/23

As of: 10/25/23

ASSET	TICKER	ASSET TYPE	MGT. NAME	QUANTITY	PRICE ($)	VALUE ($)
SEI INSTL MANAGED TR MULT ASS INC A	SIOAX	BONDS	SEI ASSET MANAGEMENT PROGRAMS	4,821.82	9.13	44,023.24
SEI INSTL MANAGED TR MULT ASSACUM A	SAAAX	BONDS	SEI ASSET MANAGEMENT PROGRAMS	3,241.00	6.48	21,001.70
SEI INSTL MANAGED TR REAL RTN CL A	SRAAX	BONDS	SEI ASSET MANAGEMENT PROGRAMS	3,208.36	9.27	29,741.21
SEI INTERNATIONAL EMERGING MARKETS DEBT FUND	SITEX	BONDS	SEI ASSET MANAGEMENT PROGRAMS	2,783.19	7.96	22,154.20
SEI MANAGED VOLATILITY FUND	SVOAX	US STOCKS	SEI ASSET MANAGEMENT PROGRAMS	2,951.94	14.52	42,862.13
				SoFL Opp Engineers App & Tr Funds DPB Total:		**$1,128,963.42**

Account Name: SOUTH FLORIDA OPERATING ENGINEERS APPREN SOUTH FLORIDA OPERATING ENGINEERS APPREN C/O MARK SCHAUNAMAN 911 RIDGEBROOK RD. SPARKS MD 21152

Account Number: XXXX471A

Account Type: Endowments/Foundations

ASSET	TICKER	ASSET TYPE	MGT. NAME	QUANTITY	PRICE ($)	VALUE ($)
SDIT GOVERNMENTSWEEP	AABXX	CASH	SEI ASSET MANAGEMENT PROGRAMS	44.28	1.00	44.28
SEI INSTITUTIONALLY MANAGED CORE FIXED INCOME FUND	TRLVX	BONDS	SEI ASSET MANAGEMENT PROGRAMS	31,213.37	8.87	276,859.44
SEI INSTL MANAGED TR MLTSTRG ALT A	SMSAX	CASH	SEI ASSET MANAGEMENT PROGRAMS	3,126.07	9.23	28,853.62
				Account Total:		**$305,757.34**
				South Florida Operating Engineers Appren Total:		**$1,434,720.76**

[A] This report may include assets that the firm does not hold and which are not included on the firm's books and records.

Prepared by: Legacy Wealth Management

Portfolio Review created on: 10/26/23

As of: 10/25/23

Cash or Equivalents ($)

SECURITY	OCT 2023	NOV 2023	DEC 2023	JAN 2024	FEB 2024	MAR 2024	APR 2024	MAY 2024	JUN 2024	JUL 2024	AUG 2024	SEP 2024	TOTAL
SDIT GOVERNMENTSWEEP	1,592	1,592	1,592	1,592	1,592	1,592	1,592	1,592	1,592	1,592	1,592	1,592	19,106
SDIT GOVERNMENTSWEEP	0	0	0	0	0	0	0	0	0	0	0	0	2
Cash or Equivalents Total:	**$1,592**	**$1,592**	**$1,592**	**$1,592**	**$1,592**	**$1,592**	**$1,592**	**$1,592**	**$1,592**	**$1,592**	**$1,592**	**$1,592**	**$19,108**

Mutual Fund ($)

SECURITY	OCT 2023	NOV 2023	DEC 2023	JAN 2024	FEB 2024	MAR 2024	APR 2024	MAY 2024	JUN 2024	JUL 2024	AUG 2024	SEP 2024	TOTAL
SEI DAILY INCOME SHORT-DURATION GOVERNMENT BOND FU	216	216	216	216	216	216	216	216	216	216	216	216	2,596
SEI DAILY INCOME ULTRA SHORT DURATION BOND CL F	85	85	85	85	85	85	85	85	85	85	85	85	1,024
SEI GLOBAL MANAGED VOLATILITY FUND			4,378										4,378
SEI INSTITUTIONALLY MANAGED CORE FIXED INCOME FUND	233	233	233	233	233	233	233	233	233	233	233	233	2,792
SEI INSTITUTIONALLY MANAGED CORE FIXED INCOME FUND	833	833	833	833	833	833	833	833	833	833	833	833	9,995
SEI INSTITUTIONALLY MANAGED HIGH-YIELD BOND FUND	180	180	180	180	180	180	180	180	180	180	180	180	2,162
SEI INSTL MANAGED TR CONSERTV INC A	260	260	260	260	260	260	260	260	260	260	260	260	3,120

[A] This report may include assets that the firm does not hold and which are not included on the firm's books and records.

As of: 10/25/23

SECURITY	OCT 2023	NOV 2023	DEC 2023	JAN 2024	FEB 2024	MAR 2024	APR 2024	MAY 2024	JUN 2024	JUL 2024	AUG 2024	SEP 2024	TOTAL
SEI INSTL MANAGED TR MLTSTRG ALT A			475										475
SEI INSTL MANAGED TR MLTSTRG ALT A			608										608
SEI INSTL MANAGED TR MUL A CAPSTA A			2,378										2,378
SEI INSTL MANAGED TR MULT A INFMG A			4,560										4,560
SEI INSTL MANAGED TR MULT ASS INC A	270	270	270	270	270	270	270	270	270	270	270	270	3,242
SEI INSTL MANAGED TR MULT ASSACUM A			2,261										2,261
SEI INSTL MANAGED TR REAL RTN CL A	229			229			229			229			917
SEI INTERNATIONAL EMERGING MARKETS DEBT FUND	297			297			297			297			1,188
SEI MANAGED VOLATILITY FUND	192			192			192			192			766
Mutual Fund Total:	**$2,795**	**$2,078**	**$16,738**	**$2,795**	**$2,078**	**$2,078**	**$2,795**	**$2,078**	**$2,078**	**$2,795**	**$2,078**	**$2,078**	**$42,462**
South FL Operating Engineers App & Training Fund Total:	**$4,388**	**$3,670**	**$18,330**	**$4,388**	**$3,670**	**$3,670**	**$4,388**	**$3,670**	**$3,670**	**$4,388**	**$3,670**	**$3,670**	**$61,570**

Estimated income and cash flows are forward looking estimates based on historical data. Such estimates have inherent limitations, as they are based on historical dividend and/or interest payments that may or may not be paid in the future or may be lower or higher than the estimated amounts shown. Dividend and interest payments are subject to change any time, and may be affected by current and future economic, political and business conditions. Estimated income for certain types of securities could include a return of principal or capital gains, in which case the estimated amounts shown would be overstated. Estimated income and cash flows are provided for illustrative purposes only, and should not be relied upon for financial or tax planning purposes.

[A] This report may include assets that the firm does not hold and which are not included on the firm's books and records.

Prepared by: Legacy Wealth Management

Portfolio Review created on: 10/26/23

Account Performance Detail

South FL Operating Engineers App & Training Fund

Period: 8/8/23 - 10/25/23

ACCOUNT	ACCOUNT NUMBER	BEGINNING VALUE ($)	NET CONTRIBUTIONS ($)	CHANGE IN VALUE ($)	ENDING VALUE ($)	RETURN (%)	RETURN
SoFL Opp Engineers App & Tr Funds DPB	XXXX1471	1,463,553	-321,868	-12,721	1,128,963	-1.03	
SOUTH FLORIDA OPERATING ENGINEERS APPREN SOUTH FLORIDA OPERATING ENGINEERS APPREN C	XXXX471A	0	321,868	-16,111	305,757	-5.01[6]	
	Portfolio Total:	**$1,463,553**	**$0**	**-$28,832**	**$1,434,721**	**-1.97%**	

[A] This report may include assets that the firm does not hold and which are not included on the firm's books and records.

Prepared by: Legacy Wealth Management

Portfolio Review created on: 10/26/23

Disclosure

Advisory services offered through LWM Advisory Services, LLC. Securities offered through LPL Financial, member FINRA/SIPC. LPL Financial, LWM Advisory Services, LLC and Legacy Wealth Management are affiliated companies. Values are as of 10/25/2023 unless otherwise noted. **This is not an official LPL Financial ("LPL") statement; it has been prepared by your Advisor for informational purposes only, and does not replace the statements you should receive directly either from LPL or from the investment sponsors for which LPL is the broker-dealer of record or any other outside custodian.** It is intended to estimate the total value of your investments for which you receive such statements, as well as any investments held away from LPL about which you have provided to your Advisor information from which values can be estimated. This report has been prepared from data believed to be reliable but no representation is being made as to its accuracy or completeness.

The report includes securities held in your LPL account(s) or that LPL does not hold on your behalf and which are not included on LPL's books and records. These outside positions are securities held directly by an outside sponsor rather than in an LPL account. There may be differences in the way each outside securities position is reflected based on the various data sources used. If available, market value may be reflected for these outside positions. Performance may not be calculated for all outside securities positions. Information regarding outside securities positions may be limited because it is provided by a third party source.

Values shown should only be used as a general guide to portfolio value, and may vary from the actual liquidation values. Accounts held away from LPL are not covered by LPL's SIPC Insurance. The LPL Financial SIPC Membership provides account protection only to those assets held at LPL. To the extent some of the other entities may be SIPC members, please contact your financial advisor or the other entity or refer to the other entity's statement regarding SIPC membership. Position values, size of positions, and dates, may be estimates made by your Advisor based on information you have provided. The information contained in this report should not be relied upon for tax reporting purposes, accounting, or valuation purposes. The source of all price information for tracked positions is one or more third party vendors and may include the use of substitute prices where prices are not readily available.

Past performance is no guarantee of future results. Current values may be lower or higher than the values shown. We urge you to compare the information (e.g. market values, transactions, inflows, out flows, and fees) in this report with the information provided in the account statements you receive directly from LPL Financial, the investment sponsor, or custodian of the assets. If you are not receiving statements from your custodian, please contact your custodian directly or call LPL Financial at 800-558-7567.

For fee-based accounts only: The figures may or may not reflect the deduction of investment advisory fees. If the investment is being managed through a fee-based account or agreement, the returns may be reduced by those applicable advisory fees. Refer to your Advisor's Form ADV, Part II.

The Cost Basis information is subject to the validity of the supplier of cost basis information and should not be used for tax purposes. Please refer to your original statements and/or confirms.

For assets not purchased in the LPL account, you or the previous broker/dealer upon transfer may have provided the date acquired and purchase cost of the position. If no such data was submitted, N/A may be listed as the purchase Cost. N/A displays when investment information is incomplete and may be treated as zero when calculating Gain or Loss totals. Since the date acquired and the purchase cost on certain securities may have been provided by another source, this information may not reflect accurate data or correspond to data on your trade confirmations. This report may use one of the following accounting methods: First In, First Out (FIFO); Last In, First Out (LIFO); Average Cost, or Average Cost Long Term. For information on the method used, please contact your advisor.

Designating liquidations as "versus payment" date on a trade confirmation will not adjust the cost basis information on your statement or in this report. If this report includes outside accounts, manual accounts, or groups of accounts, detailed descriptions of terminology and calculations used in this report can be obtained by requesting information from your advisor.

The Modified Dietz formula is used as an approximation to the true, money-weighted rate-of-return (MWRR) or internal rate of return (IRR). The portfolio or asset is valued at the starting and ending points of the period. Cash flows are included in the calculation based on their timing (i.e., when they occurred during the period). The Modified Dietz will yield a result which approximates the IRR, which is the true, money-weighted rate-of-return. If the cash flows and returns are large, then the ability for the Modified Dietz to approximate the IRR is diminished. Otherwise, the Modified Dietz serves as an acceptable approximation to the IRR.

Positions on this statement may include assets that are not held or verified by LPL, for which you have supplied the price and quantity information to your LPL representative, through the delivery of a statement or other record prepared by the investment sponsor or other source other than your LPL representative.

This report may include personal assets that the firm does not hold on your behalf, and that are not included on the firm's books and records. Personal assets include the following:

Collectibles (e.g., art, antiques, coins, stamps)

[A] This report may include assets that the firm does not hold and which are not included on the firm's books and records.

Prepared by: Legacy Wealth Management

Portfolio Review created on: 10/26/23

Real estate (e.g., personal residence, vacation homes, investment property)
Intangible Assets (e.g., patents, trademarks, copyrights, goodwill)
Checking and savings accounts
Business ownership/interests (e.g., equipment, inventory, property, accounts receivables)
Insurance
Personal Property (e.g., cars, snowmobiles, etc.)

Information about personal assets is shown as an accommodation to you. The value of personal assets has not been verified by the firm and is included for informational purposes only. You should not use information about personal assets on this report for lending, legal, or tax purposes. You are encouraged to review and maintain any applicable source documents related to personal assets as they may contain notices, disclosures and other important information.

This report contains performance information calculated using Modified Dietz formula; may differ from other performance reporting systems and may differ from your LPL Quarterly Performance Reports.

The "Core Value and Benchmark" report graphs your actual core portfolio value over time, but does not include Manually Entered Assets. The starting point on the graph will always use that day's beginning balance. For fair comparison purposes, buy and sell transactions that occurred in your core portfolio during the period will be applied to any included Benchmarks. The "Net Contribution" column in the underlying legend includes all cash flows in and out of the core portfolio, including but not limited to buys, sells, dividends, interest and fees. If your core portfolio's Net Contribution contains dividend, interest and fees, it will not represent the same case flow adjustment that is applied to the benchmarks for fair comparison purposes. Additionally, interest and dividends will cause increased rate of returns in the legend without a corresponding affect on the graph.

Composite Benchmark
A composite benchmark has been used in this report. The underlying benchmarks and weightings are as follows:

Bloomberg U.S. Aggregate Bond (43%)
The Bloomberg U.S. Aggregate Bond Index is a broad-based benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM passthroughs), ABS, and CMBS. The U.S. Aggregate rolls up into other Bloomberg flagship indices such as the multi-currency Global Aggregate Index and the U.S. Universal Index, which includes high yield and emerging markets debt.

ICE BofAML U.S. Treasuries 1-3 Year (35%)
The ICE BofAML U.S. Treasuries (1-3 Yr) Index is an unmanaged index that tracks the performance of the direct sovereign debt of the U.S. Government having a maturity of at least one year and less than three years.

Russell 3000 (18%)
The Russell 3000 Index measures the performance of the largest 3,000 U.S. companies representing approximately 98% of the investable U.S. equity market. The Russell 3000 Index is constructed to provide a comprehensive, unbiased, and stable barometer of the broad market and is completely reconstituted annually to ensure new and growing equities are reflected.

Bloomberg Commodity Index (TR) (4%)
The Bloomberg Commodity Index (TR) aims to provide broadly diversified representation of commodity markets as an asset class. The index is made up of exchange-traded futures on physical commodities. It currently represents 20 commodities, which are weighted to account for economic significance and market liquidity. Weighting restrictions on individual commodities and commodity groups promote diversification.

BANK OF AMERICA
Source ICE BofAML, used with permission. ICE BofAML IS LICENSING THE ICE BofAML INDICES "AS IS," MAKES NO WARRANTIES REGARDING THE SAME, DOES NOT GUARANTEE THE SUITABILITY, QUALITY, ACCURACY, TIMELINESS, AND/ OR COMPLETENESS OF THE ICE BofAML INDICIES OR ANY DATA INCLUDED IN, RELATED TO, OR DERIVED THEREFROM, ASSUMES NO LIABILITY IN CONNECTION WITH THEIR USE, AND DOES NOT SPONSOR, ENDORSE, OR RECOMMEND ANY OF ITS PRODUCTS OR SERVICES.

[A] This report may include assets that the firm does not hold and which are not included on the firm's books and records.

Prepared by: Legacy Wealth Management

Portfolio Review created on: 10/26/23

FTSE
Source: London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"). © LSE Group 2020. FTSE Russell is a trading name of certain of the LSE Group companies. "FTSE®", "Russell®", "FTSE Russell®", and "The Yield Book®" are trademarks of the relevant LSE Group companies and are used by any other LSE Group company under license. All rights in the FTSE Russell indexes or data vest in the relevant LSE Group Company which owns the index or the data. Neither LSE Group nor its licensors accept any liability for any errors or omissions in the indexes or data and no party may rely on any indexes or data contained in this communication. No further distribution of data from the LSE Group is permitted without the relevant LSE Group Company's express written consent. The LSE Group does not promote, sponsor or endorse the content of this communication.

DOW JONES
DOW JONES, DJ, DJIA and DOW JONES INDUSTRIAL AVERAGE are registered trademarks of Dow Jones Trademark Holdings LLC ("Dow Jones"). These trademarks together with others have been licensed to S&P Dow Jones Indices LLC. Redistribution or reproduction in whole or in part are prohibited without written permission. This document does not constitute an offer of services in jurisdictions where S&P Dow Jones Indices LLC, S&P, Dow Jones or their respective affiliates (collectively "S&P Dow Jones Indices") do not have the necessary licenses. All information provided by S&P Dow Jones Indices is impersonal and not tailored to the needs of any person, entity or group of persons. S&P Dow Jones Indices receives compensation in connection with licensing its indices to third parties and providing custom calculation services. Past performance of an index is not an indication or guarantee of future results.

*Represent partial period related to other periods on this report.

Pie chart slices labeled as other may include securities classified as other by the provider of asset classification data, as well as securities that did not fit in the other slices displayed.

[6] The return for this holding represents a partial period relative to the report period requested on the report. At some time during the reporting period, the holding was not in the portfolio. The partial period asset will affect the total account's rate of return.

[61]This benchmark is a Composite Benchmark. Please see below for more details.

South Florida Operating Engineers is comprised of 43% Bloomberg U.S. Aggregate Bond, 35% ICE BofAML U.S. Treasuries 1-3 Year, 18% Russell 3000, 4% Bloomberg Commodity Index (TR).

Performance calculations are performed using the Modified Dietz Calculation method

[A] The source data for the following accounts was provided by SEI:
XXXX1471
XXXX471A

Performance results prior to June 2014 reflect the performance of investments held in your accounts prior to LWM Advisory Services, LLC’s management of the accounts’ investments.

[A] This report may include assets that the firm does not hold and which are not included on the firm's books and records.

Prepared by: Legacy Wealth Management

Portfolio Review created on: 10/26/23

This page intentionally left blank.

Investment Policy Statement

LEGACY WEALTH
MANAGEMENT
MANAGING GENERATIONS OF WEALTH℠

South Florida Operating Engineers Apprentice & Training Fund

INVESTMENT POLICY STATEMENT
<u>11/11/21</u>

Adopted 2/10/2022

TABLE OF CONTENTS

Introduction 1

Duties and Responsibilities 1

- Board of Trustees 1
- Investment Manager 1

Statement of Objectives 2

- ERISA Compliance 2
- Primary Plan Objective 2
- Plan Financial Objectives 2

Statement of Investment Policy 2

- Asset Allocation Targets 2
- Adherence to Policy Targets and Rebalancing 3
- Investment Securities and Diversification 3
- Guidelines for Portfolio Holdings 4
- Proxy Statements 6
- Execution of Security Trades 6

Control Procedures 6

- Review of Liabilities 6
- Review of Investment Objectives 6
- Review of Investment Manager and Investments 6
- Performance Expectations 6

Investment Strategy and Adoption of Investment Policy 7

INTRODUCTION

This document establishes the Investment Policy Statement ("Investment Policy") for the South Florida Operating Engineers Apprentice and Training Plan (the "Plan"). The Board of Trustees of the Apprentice and Training Plan ("Board of Trustees") is responsible for managing the investment process of the Plan in a prudent manner with regard to preserving principal while providing reasonable returns.

The Board of Trustees has arrived at this Investment Policy through careful study of the returns and risks associated with alternative investment strategies in relation to the current and projected liabilities of the Plan, after consulting with such outside Investment Manager (as defined below) as is deemed appropriate. This Investment Policy has been chosen as the most appropriate policy for achieving the financial objectives of the Plan which are described in the "Statement of Objectives" section of this document; however, the Board of Trustees shall be free to deviate from this Investment Policy when it concludes that it is prudent and in the interest of the Plan to do so and may amend the Investment Policy at any time.

The Board of Trustees has adopted a long-term investment horizon such that the chances and duration of investment losses are carefully weighed against the long term potential for appreciation of assets.

In addition to the Investment Policy defined herein, the management of the Plan will be in compliance with all provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), the Investment Advisers Act of 1940 and other applicable laws.

DUTIES AND RESPONSIBILITIES

The Board of Trustees is responsible for managing the investment process in a prudent manner with regard to preserving principal while providing reasonable returns. In carrying out these duties, the Board of Trustees has retained an Investment Manager, SEI Investments Management Corporation (the "Investment Manager"), to assist in managing the assets of the Plan. The Investment Manager's role is to provide guidance to the Board of Trustees on matters pertaining to the investment of Plan assets including Investment Policy, investment selection, monitoring the Plan's performance and compliance with the Investment Policy. All decisions pertaining to the Investment Policy and guidelines for the Investment Policy's implementation will be made by the Board of Trustees. The Investment Manager, in carrying out the Investment Policy defined in this document, has authority and responsibility to select appropriate investments in the specific asset classes mandated by this Investment Policy, in accordance with (and subject to) the terms of an terms of the investment management agreement dated 5/27/2010 executed between the Investment Manager and the Plan (the "Investment Management Agreement").

Duties and responsibilities are described in detail below.

Board of Trustees

The Board of Trustees will retain a qualified Investment Manager to assist in the development and implementation of the Investment Policy and guidelines.

The Board of Trustees will establish the Investment Policy of the Plan. This includes, but is not limited to, allocation between equity and fixed income assets, selection of acceptable asset classes and investment performance expectations. The Board of Trustees periodically will review the Investment Policy.

The Board of Trustees will regularly review the investment performance of the Plan including the performance of the Investment Manager to assure the Investment Policy is being followed and progress is being made toward achieving the objectives.

Investment Manager

The Investment Manager retained by the Board of Trustees will assist the Board of Trustees in establishing the Investment Policy and guidelines contained in this Investment Policy.

In accordance with the terms of the Investment Management Agreement, the Investment Manager will be responsible for managing the asset allocation, determining investment strategy and implementing security selection decisions through the investment sub-advisors for the mutual funds managed by the Investment Manager, within the Investment Policy and as otherwise provided by the Board of Trustees. The Investment Manager will monitor asset allocation across and among asset classes.

The Investment Manager will monitor investment performance of the Plan. Performance reports will be provided to the Board of Trustees quarterly. The Investment Manager will report in a timely manner any substantive developments that may affect the management of Plan assets.

STATEMENT OF OBJECTIVES
ERISA Compliance
The assets of the Plan will be invested in accordance with all applicable laws in a manner consistent with fiduciary standards including ERISA (if applicable). Specifically:

1. The safeguards and diversity that a prudent investor would adhere to must be present in the investment program.
2. All transactions undertaken on behalf of the Plan must be in the best interest of plan participants and their beneficiaries.

Primary Plan Objective
The primary objective of the Plan is preservation of capital and long term growth. The financial objectives of the Plan have been established in conjunction with a comprehensive review of the current and projected financial requirements.

Plan Financial Objectives
The primary financial objective of the Plan is preservation of capital and long term growth. The objective is based on a long-term investment horizon, so that interim fluctuations should be viewed with appropriate perspective. It should be recognized that this is a union sensitive plan. If an opportunity for investment exists in a company that favors union practices that the Investment Manager is aware of, then that security should be considered more advantageous to the plan, as long as the following requirements are met: 1) the union sensitive security has an expected rate of return that is commensurate to rates of return of alternative investments with similar risk characteristics that are available to the plan; 2) the union sensitive security is otherwise a prudent investment for the plan in terms of diversification; liquidity, and risk/return objectives of the plan and the requirements of these investment guidelines, and 3) the investment otherwise satisfies the requirements of DOL Interpretive Bulletin 94-1 to the extent that such interpretive bulletin is valid relating to economically targeted investments.

There can be no assurance that these objectives will be met.

The desired investment objective is a long-term expected rate above the actuarial assumption rate. The target rate of return for the Plan has been based upon an analysis of historical returns supplemented with an economic and structural review for each asset class. The Board of Trustees realizes that market performance varies and that long term expected rates of return may not be meaningful during some periods. The Board of Trustees also realizes and agrees that historical performance is no guarantee of future performance.

STATEMENT OF INVESTMENT POLICY
Asset Allocation Targets
It will be the policy of the Plan to invest assets with an allocation as shown below.

Asset Class	Target Allocation	Permitted Variance
Equity	18%	+/- 10%
Fixed Income	43%	+/- 10%
Multi-Asset Class	4%	+/- 5%
Cash	35%	+/- 10%

Any equity or fixed income holding resulting in a 20% loss from cost must be documented in writing to the Trustees as to your initial reasons for purchase as well as your reasons for continued retention.

Within each asset class, assets will be invested in accordance with the Guidelines set out below. The investments selected by the Investment Manager in accordance with this Investment Policy may include a small portion of total assets in cash reserves when deemed appropriate. However, the investments will be evaluated against their appropriate benchmarks on the performance of the total funds under management.

In accordance with the terms of the Investment Management Agreement, Manager will retain discretion with respect to the SEI mutual funds utilized by Manager to implement the Strategy. Additionally, Investment Manager will retain discretion with respect to modifications required to the asset allocation identified above. In the event the Investment Manager exercises its discretion as noted in this paragraph, Investment Manager will develop and adopt a revised draft Investment Policy Statement on behalf of the Fund. Investment Manager shall notify the Board as soon as practicable after implementing any change to the asset allocation or the SEI Funds used to implement the asset allocation as soon as practicable.

Adherence to Policy Targets and Rebalancing

The asset allocation established by this Investment Policy represents a long-term perspective. As such, rapid unanticipated market shifts or changes in economic conditions may cause the asset mix to fall outside of the policy range. Generally, these divergences should be of a short-term nature.

To ensure that divergence from the target policy is within acceptable limits, rebalancing of assets may be necessary. Rebalancing procedures are authorized by the Committee for the portion of Fund assets managed by the Investment Manager in accordance with the Investment Management Agreement.

Generally, rebalancing among funds may occur on a quarterly basis for the registered investment companies (i.e., mutual funds), hedge funds, and private equity (as applicable, if required) to ensure that the target asset allocation specified in this Investment Policy is maintained within acceptable ranges as determined by the Investment Manager. The Investment Manager will identify the amount of assets that must be reallocated in order to bring the Plan back into compliance with this Investment Policy and will issue the necessary instructions for the transfer of funds.

Notwithstanding the foregoing, under certain circumstances, the Investment Manager may (i) make tactical investment decisions for the Fund in accordance with the terms of the target variance noted above, (ii) modify the target variance(s) applicable to the strategy, (iii) modify its standard rebalancing operating procedures, and/or (iv) suspend some or all of the rebalancing procedures affecting the strategy. Investment Manager shall only modify or suspend its rebalancing procedures as outlined in this paragraph if it has prudently determined that such suspension is in the best interest of the Plan, its participants and beneficiaries in its reasonable sole discretion. If the Investment Manager has suspended it rebalancing procedures applicable to the Plan, the Investment Manager shall seek to notify the Board of Trustees as promptly as possible of such decision.

Investment Securities and Diversification

As described in the Investment Management Agreement, the Investment Manager implements this Investment Policy through investments in mutual funds and other pooled asset portfolios. It is the responsibility of the Manager to provide a prospectus (or other offering documents) for each investment and the responsibility of the Board of Trustees to read and understand the information contained in the prospectus.

Mutual funds may use shorting strategies as outlined in the prospectus. Further, certain mutual funds may participate in securities lending as determined by the prospectus (or other offering documents). Such investments are acceptable investments provided they conform to the diversification restrictions set forth below.

Investments will be diversified within asset classes with the intent to minimize the risk of large losses to the Plan. The portfolio includes mutual funds that are managed in accordance with the diversification and industry concentration restrictions set forth in the Investment Company Act of 1940, as amended (the "1940 Act"). Pursuant to the provisions of the 1940 Act, a mutual fund may not, with respect to 75% of its assets, (i) purchase securities of any issuer (except securities issued or guaranteed by the United States Government, its agencies or instrumentalities) if, as a result, more than 5% of its total assets would be invested in the securities of such issuer; or (ii) acquire more than 10% of the outstanding voting securities of any one issuer. This restriction does not apply to the International Fixed Income Fund or the Emerging Markets Debt Fund.

In addition, no mutual fund may purchase any securities which would cause more than 25% of its total assets to be invested in the securities of one or more issuers conducting their principal business activities in the same industry, provided that this limitation does not apply to investments in securities issued or guaranteed by the United States Government, its agencies or instrumentalities.

<u>Guidelines for Portfolio Holdings</u>

<u>Domestic Equity:</u>
The Domestic Equity portion of the portfolio will consist primarily of equity securities of companies that are listed on registered exchanges or actively traded in the over the counter market. The equity portion may also be invested in securities that are not readily marketable (illiquid and restricted securities), receipts, securities issued by investment companies, warrants, repurchase agreements, convertible securities and US dollar denominated securities of foreign issuers that are traded on registered exchanges or listed on NASDAQ. A portion of the equity portfolio may also be invested in fixed income securities that are rated investment grade or better, i.e., rated in one of the four highest rating categories by a nationally recognized statistical rating organization ("NRSRO"), or, if not rated, determined to be of comparable quality by the Investment Adviser or a mutual fund sub-adviser. The Investment Advisor will equitize cash to remain as fully invested as possible.

<u>Non-U.S. Equity:</u>
The non-U.S. equity portion of the portfolio will consist primarily of equity securities (common stocks, securities that are convertible into common stocks, preferred stocks, warrants and rights to subscribe to common stocks) of non-U.S. issuers purchased in foreign markets, on U.S. or foreign registered exchanges, or the over-the-counter markets. The issuers of the securities are located in countries other than the United States, including emerging market countries. Additionally, the portfolio may seek to enhance returns by active management of currency exposure. This strategy may involve taking long and short positions using futures, foreign currency forward contracts, foreign currencies and other derivatives. The portfolio may also engage in currency transactions in an attempt to take advantage of certain inefficiencies in the currency exchange market, to increase the exposure to a foreign currency or to shift exposure to foreign currency fluctuations from one currency to another. Any remaining assets may be invested in fixed income securities of emerging market governments and companies. Certain securities issued by governments of emerging market countries are, or may be, eligible for conversion into investments in emerging market companies under debt conversion programs sponsored by such governments.

A portion of the portfolio's assets may be invested in securities that are rated below investment grade, U.S. or non-U.S. cash reserves and money market instruments, repurchase agreements, securities that are not readily marketable, obligations of supranational entities, American Depository Receipts, European Depository Receipts and investment company securities including securities issued by foreign investment companies.

<u>Domestic Fixed Income:</u>
The investment grade portion of the domestic fixed income portfolio will consist primarily of fixed income securities that are rated investment grade or better, i.e., rated in one of the four highest rating categories by an NRSRO at the time of purchase, or, if not rated are determined to be of comparable quality by the Investment Adviser or a mutual fund sub-adviser. The portfolio may invest in traditional fixed income securities, such as bonds and debentures, issued by domestic and foreign private and governmental issuers, including mortgage-backed and asset-backed securities. In addition, the portfolio may also contain structured securities that make interest and principal payments based upon the performance of specified assets or indices. Structured securities include mortgage-backed securities such as pass-through certificates, collateralized mortgage obligations and interest and principal only components of mortgage-backed securities. Other investments include mortgage dollar roll transactions, Yankee obligations and obligations of supranational entities.

The high yield portion of the domestic fixed income portfolio will consist primarily of fixed income securities that are rated below investment grade, i.e., rated below the top four rating categories by a NRSRO at the time of purchase, or, if not rated, determined to be of comparable quality by the Investment Adviser or a mutual fund sub-adviser. There is no bottom limit on the ratings of high yield securities that may be purchased and held in the portfolio. Any remaining assets may be invested in equity, investment grade fixed income and money market securities.

<u>Short Duration Government Fund</u>
The Short-Duration Government Fund invests substantially all of its net assets in U.S. Treasury obligations and obligations issued or guaranteed as to principal and interest by agencies or instrumentalities of the U.S. Government, including mortgage-backed securities, and repurchase agreements collateralized by such obligations. The Fund may invest in securities issued by various entities sponsored by the U.S. government, such as the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation (FHLMC or Freddie Mac). These issuers

are chartered or sponsored by acts of Congress; however their securities are neither issued nor guaranteed by the U.S. Treasury and are not backed by the full faith and credit of the United States government. In addition, the Fund may invest in futures contracts, options, swaps and other similar instruments.

Non U.S. Fixed Income:
The non-U.S. investment grade portion of the fixed income portfolio will consist primarily of securities of non-U.S. issuers located in at least three countries other than the United States. Any remaining assets may be invested in obligations issued or guaranteed as to principal and interest by the U.S. Government, its agencies or instrumentalities and preferred stocks. The non-U.S. investment grade portion will concentrate its investments in developed countries.

Non-U.S. investment grade fixed income securities will be traditional fixed income securities, such as bonds and debentures, and will be issued by foreign private and governmental issuers and may include mortgage-backed and asset-backed securities. The portfolio may also contain structured securities that derive interest and principal payments from specified assets or indices. The portfolio will be comprised primarily of investment grade securities denominated in various currencies, including the European Currency Unit. Investment grade securities are rated in one of the highest four rating categories by an NRSRO, or, if not rated, determined to be of comparable quality as determined by the Investment Adviser or a mutual fund sub-adviser.

The emerging debt portion of the portfolio will consist primarily of debt securities of government, government - related and corporate issuers in emerging market countries and of entities organized to restructure outstanding debt of such issuers. Investments will be made in emerging debt securities which are primarily rated below investment grade by internationally recognized credit rating organizations, or, if not rated, determined to be of comparable quality as determined by the Investment Adviser or a mutual fund sub-adviser. While there is no limit on the percentage invested in non-US dollar denominated assets, it is expected that the majority of the emerging debt assets will be denominated in U.S. dollars or hedged back to the U.S. dollar.

Multi-Asset Real Return Strategy:
This strategy uses a multi-asset class portfolio construction process and seeks to generate total returns that exceeds the rate of inflation over a full market cycle by selecting investments from among a broad range of asset classes, including fixed income and equity securities and commodity linked instruments.

Cash Equivalent Reserves

The investments selected by the Investment Adviser in accordance with this Investment Policy Statement may include a small portion of total assets in cash reserves when deemed appropriate.

Cash equivalent reserves will consist of money market securities such as high quality, short-term debt instruments. They include: (i) bankers' acceptances, certificates of deposits, notes and time deposits of highly-rated U.S. and foreign banks; (ii) U.S. Treasury obligations and obligations issued or guaranteed by the agencies and instrumentalities of the U.S. Government; (iii) high-quality commercial paper issued by U.S. and foreign corporations; (iv) debt obligations with a maturity of one year or less issued by corporations with outstanding high-quality commercial paper; (v) repurchase agreements involving any of the foregoing obligations entered into with highly-rated banks and broker-dealers; and (vi) foreign government obligations.

Volatility
Consistent with the desire for adequate diversification, the investment policy is based on the assumption that the volatility of the combined equity investment will be similar to that of the market opportunity available to institutional investors with similar return objectives. The volatility of fixed income portfolios may be greater than the market during periods when the portfolio duration exceeds that of the market.

Proxy Statements
Proxies, tender offers and the like will be voted in accordance with the terms of the Investment Management Agreement.

Execution of Security Trades

The Plan expects the purchase and sale of its securities to be made in a manner designed to receive the combination of best price and execution. The Board of Trustees recognizes that mutual fund shares are purchased and sold at the net asset value next determined after receipt of the order and that accordingly, best price and execution may not be applicable to such transactions.

CONTROL PROCEDURES

Review of Liabilities

All major liability assumptions regarding number of participants, compensation, benefit levels and actuarial assumptions will be subject to an annual review by the Board of Trustees. This review will focus on an analysis of major differences between the Plan's assumptions and actual experience.

Review of Investment Objectives

Investment performance will be reviewed annually to determine the continued feasibility of achieving the investment objectives and the appropriateness of the Investment Policy for achieving these objectives. In addition, the validity of the stated objective will be reviewed annually.

It is not expected that the Investment Policy will change frequently. In particular, short-term changes in the financial markets should not require an adjustment to the Investment Policy.

Review of Investment Manager and Investments

The Investment Manager will report on a quarterly basis to review the total Plan investment performance.

The Investment Manager will be responsible for keeping the Board of Trustees advised of any material change in its personnel, the investment strategy, or other pertinent information potentially affecting performance of all investments.

Performance reviews will focus on:

- Comparison of investment results to appropriate benchmarks, as well as market index returns in both equity and debt markets.
- Investment adherence to this Investment Policy and guidelines.
- Material changes in the investment organizations, such as in investment philosophy and personnel, etc.

Performance Expectations

The most important performance expectation is the achievement of long-term investment results that are consistent with the Plan's Investment Policy. Implementation of the policy will be directed toward achieving this return and not toward maximizing return without regard to risk.

The Board of Trustees recognizes that this real return objective may not be meaningful during some time periods. In order to ensure that investment opportunities available over a specific time period are fairly evaluated, comparative performance statistics (including benchmark indices) will be used to evaluate investment results.

ADOPTION OF INVESTMENT POLICY STATEMENT

The Board of Trustees of the South Florida Operating Engineers Apprentice and Training Fund has reviewed, approved and adopted this Investment Policy Statement, dated 11/11/21, prepared with the assistance of SEI Investments Management Corporation.

DocuSigned by:
MARK SCHAUNAMAN
3E18D486C0CC452...

MARK SCHAUNAMAN

Signature Trustee, Chairman

2/13/2022

Date